Canada Development Investment Corporation

La corporation de développement des investissements du Canada

CANADA DEVELOPMENT INVESTMENT CORPORATION

2015 to 2019
CORPORATE PLAN SUMMARY

And

2015 CAPITAL BUDGET

October, 2014

CDEV CORPORATE PLAN SUMMARY
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1.0 EXECUTIVE SUMMARY

WHO WE ARE

Canada Development Investment Corporation ("the Corporation" or "CDEV") was incorporated in 1982 under the provisions of the *Canada Business Corporations Act* and is wholly-owned by Her Majesty in Right of Canada. The Corporation is an agent Crown corporation listed in Schedule III, Part II of the *Financial Administration Act* ("FAA") and is not subject to the provisions of the *Income Tax Act*. CDEV reports to Parliament through the Minister of Finance ("the Minister"). In 2013 we changed our brand initials to "CDEV" from "CDIC". CDEV has three wholly-owned subsidiaries: Canada Hibernia Holding Corporation ("CHHC"), Canada Eldor Inc. ("CEI"), and Canada GEN Investment Corporation ("GEN").

WHAT WE DO

Our Vision: To be the Government of Canada's primary resource for the evaluation, management and divestiture of its commercial assets.

Our Mission: Acting in the best interests of Canada, on behalf of the Minister of Finance, we bring excellent business judgement and commercial practices to the evaluation, management and divestiture of assets of the Government of Canada.

CDEV's activities are driven by the priorities of the Government through discussions with and mandates received from the Minister of Finance and through the Government's budget and policy pronouncements. CDEV has historically been used as a means of ensuring that the Government's interests that are assigned to it have been managed with a commercial focus. To date we have managed and sold some fifteen companies for the Government with total proceeds exceeding $4 billion. We currently manage Canada's interest in the Hibernia Oil Project, the preferred and common shares in General Motors Company ("GM") and liabilities of CEI.

We are continuing to secure financial, legal and technical analysis of such corporate holdings of the Government of Canada as are requested by the Minister of Finance. This is to assist with the Government's review of corporate assets in its endeavour to ensure the use of resources is efficient, effective and focused on priorities. We maintain the capacity to divest CDEV's existing holdings and acquire or divest any other government interests assigned to us upon the direction of the Minister of Finance. In late 2012 it was announced that CDEV will act as the Government's agent in the sale of Ridley Terminals Inc. ("RTI"), a federal Crown corporation located in British Columbia. In 2013 it was announced that CDEV would act as the Government's agent in the potential sale of the Dominion Coal Blocks ("DCB") in British Columbia. Financial advisors and technical advisors have been hired for these potential divestitures.

OUR RECENT ACTIVITIES

GEN continues to hold approximately 110 million GM common shares and 16 million Series A preferred shares. In 2014 GM began paying dividends on its common shares. The forecast dividend income for 2014 is US $1.20 per share. By the end of 2014 we anticipate that GM will repurchase the preferred shares owned by GEN for US $403 million. The value of the GM common shares has decreased significantly from the 2013 year-end closing value of US $40.87 per share to US $31.93 at September 30, 2014.

We continued our activity in the Government's Corporate Asset Management Review ("CAMR") programme. We have been active through 2014 in our role as agent to sell RTI and DCB.

The ownership interest of CHHC in the Hibernia Oil Project continues to perform very well. In addition to ongoing operations, the major focus has been on implementing the development of the Hibernia Southern Extension Unit ("HSEU"). In 2014 significant progress has been made regarding the negotiation of a Basis Wide Transportation System which will provide CHHC transportation services for its share of crude oil.

CEI continues to manage the liabilities resulting from past activities of Eldorado Nuclear, the assets of which were merged with Saskatchewan Mining and Development Corporation in 1988 to form Cameco Corporation. CEI continues to pay for costs relating to the decommissioning of the former Beaverlodge mine site and for retiree benefits of certain former employees.

We held our annual public meeting on August 19, 2014 in Vancouver, BC, fulfilling requirements under the FAA.

WHAT WE PLAN TO DO IN THE NEXT FIVE YEARS

We will continue to monitor the market of GM shares and manage our holdings in a commercial manner while considering the Government's policy pronouncements, and dispose of these shares when deemed appropriate. We anticipate that GM will redeem our 16 million GM Series A preferred shares in December 2014, although GM is not obliged to do so. In the meantime we expect to continue to receive 9% dividends on the preferred shares. We expect GM will continue to pay common share dividends of US$ 0.30 per share per quarter, although these dividends are made at the discretion of GM's board of directors.

CHHC was established in March 1993, for the sole purpose of holding, managing and administering an 8.5% working interest in the Hibernia project. CHHC's primary goal is to manage its ownership in the Hibernia Oil Project and other Hibernia-related developments assuring that the shareholder's interest is protected and its value is maximized where possible. An expert management team based in Calgary performs this function. CDEV's role is to maintain the asset in a state of readiness should Canada elect to divest of the asset and, should Canada decide to divest, to take appropriate steps to fulfill that decision.

In 2015 we expect to continue our role as agent in the potential sales of government assets. No sale is expected to close in 2014. For these roles, financial advisors and technical experts have been retained. We assume that all advisory and transaction

expenditures incurred as agent will be recovered through any completed sales process but any recoveries are not reflected in the financial projections.

CEI through Cameco, the manager and licensee of the Beaverlodge mine site, continues to manage the properties for which it has been granted a license. Projects are being undertaken to reach the goal of transferring the properties to the Institutional Control programme of the government of Saskatchewan within ten years. The total expected costs of these projects and other fees is approximately $16 million. CEI will continue to pay Cameco for certain expenses regarding its management of the Beaverlodge mine site and make payments for retirement benefits.

The CAMR process is continuing and we will maintain the management capability to provide services to assist the Minister of Finance in appropriate roles. Our primary functions include preparing well-defined statements of work in conjunction with the Department of Finance, conducting a thorough and fair advisor selection process, managing relationships with the advisor and the management team of the asset under review. We will ensure that the process produces insightful reports on a timely basis that will provide a sound basis for decision making by the Government.

2.0 MANDATE AND FUTURE ROLE

The Articles of Incorporation give CDEV a broad mandate. We were incorporated to provide a commercial vehicle for Government equity investment and to manage commercial holdings of Canada. Our primary objective is to carry out our activities in the best interests of Canada, operating in a commercial manner.

In November 2007, the Minister of Finance wrote the Chairman and indicated that the future operations of CDEV "should reflect a future focused on the ongoing management of its current holdings in a commercial manner, providing assistance to the Government in new policy directions suited to CDEV's capabilities, while maintaining the capacity to divest CDEV's existing holdings, and any other Government interests assigned to it for divestiture, upon the direction of the Minister of Finance".

2.1 Corporate Governance

CDEV is managed by a team based in Toronto headed by the Executive Vice-President, who work closely with consultants, legal counsel, the Board and management of its subsidiaries to ensure the effective functioning of the Corporation and its subsidiaries. Under the Executive-Vice President we have six employees plus three contractors. CHHC has separate management based in Calgary that is experienced in the oil industry. One of our external legal counsel also acts as our corporate secretary.

The Corporation reports to Parliament through the Minister of Finance. CDEV's Board of Directors supervises and oversees the conduct of the business and affairs of CDEV. The Board of CDEV currently consists of the Chairman and six other directors. See Appendix A for the Corporation's organization chart and current listing of CDEV's directors and officers. All members of the Board are independent of CDEV management. The Board carries out its responsibilities regarding the financial statements of the Corporation through its Audit Committee. Corporate governance is dealt with by the Nominating and Governance ("N and G") Committee, which continues to review CDEV's governance practices in the spirit of continuous improvement and to address new requirements. In 2014 a revised Code of Conduct for employees and contractors was implemented. In addition, the N and G Committee assists in determining the composition and structure of the Board and recommending to the Governor in Council candidates for Board membership and for the position of Chair. CDEV will continue to closely monitor the evolving guidance in governance matters and public sector best practices and implement changes in its governance practices as appropriate. Attendance at Board and committee meetings is outstanding and each director dedicates appropriate time outside of board meetings to the governance of the Corporation.

Effective communication with the Government and the public is conducted through the Corporate Plan and Corporate Plan Summary, as approved by the Board, the Annual Report, the interim quarterly reports, the corporate website, and an annual public meeting. As well, meetings are held as required with the Minister of Finance and officials of the Government of Canada.

3.0 CORPORATE PROFILE

CDEV was incorporated in 1982 and has historically been used as a means of ensuring that the Government's interests have been managed with a commercial focus and made more effectively accountable. Over the years we have been given responsibility to hold and manage, or divest numerous Government holdings as directed or approved by the Minister. Since 1984 we have successfully divested assets for over $4.4 billion in proceeds.

CDEV has three wholly-owned subsidiaries: Canada Eldor Inc., Canada Hibernia Holding Corporation, and Canada GEN Investment Corporation.

In 2008 at the request of the Minister, we incorporated a new subsidiary, PPP Canada Inc. ("PPP") and provided initial financing on a loan basis and managerial services to this company. On May 8, 2008, PPP was deemed a parent Crown Corporation. Accordingly, although we remain the sole shareholder, we have no responsibility for this company and PPP reports directly to Parliament through the Minister of Finance.

We retain contractors and consultants to augment our capabilities on specific projects. In order to manage the investments in GM, Rothschild Inc. continues to be retained as advisors. We have retained Macquarie Capital Markets as financial advisor for our agency role in the sale of RTI, Morgan Stanley for our agency role in the potential sale of DCB. We also hire legal and technical advisors for these agency sales roles. Other consultants are hired as required for CAMR projects.

4.0 CORPORATE PERFORMANCE

4.1 Assessment of 2014 Results

Our actual performance in 2014 as compared to the objectives outlined in our 2014-2018 Corporate Plan is as follows:

Our 2014 Objectives - Our main objectives are to manage the interests of the Government assigned to us, in a commercial manner. These are the main areas of focus for 2014 and beyond:

- Manage our working interest in the Hibernia Oil Project through our subsidiary CHHC and ensure that this asset is ready for sale when deemed appropriate.
- Manage our holdings in GM through GEN in a commercial manner while considering the Government's policy pronouncements, and ensure that these assets are ready for disposition when the market and other conditions are suitable for such a disposition.
- Act as the Government's agent in the potential sales of RTI and DCB.. To undertake these projects we have hired contractors as well as relying on our advisors who have expertise in the field.
- Continue our involvement in the government's CAMR programme as requested by the Minister.
- Manage our operations to maintain our ability to perform all tasks given to us in an efficient manner. This includes the use of contracted experts and consultants to undertake projects that are specialized and short-term in nature.
- Remain available and prepared to address the needs of the Government for any future endeavour that is suitable given our capabilities and expertise.

Our 2014 Performance:

a) We continued to oversee, as shareholder, CHHC's 8.5% working interest in the original Hibernia Oil Project and interests in other Hibernia-related developments. The working interest is managed through our subsidiary CHHC. CHHC paid $97 million in dividends to CDEV to September 30, 2014, with a 2014 forecast of $134 million in dividends, consistent with plan.

b) We continued to manage our investment in GM preferred and common shares. This investment is managed through our subsidiary GEN. We did not sell any common shares through September, 2014. The current market value of the remaining 110 million shares has decreased from $4.8 billion at December 31, 2013 to approximately $3.9 billion at September 30, 2014. The GM common share price decreased from US $40.87 per share on December 31, 2013 to US $31.93 on September 30, 2014. We continue to retain legal and financial advisors to allow us to manage a divestment strategy and be able to react to any potential sales opportunity.

In 2014, GEN is forecast to receive US $36 million ($40 million) in preferred share dividends from GM and US $132 million ($146 million) in common share dividends.

GEN forecasts that GM will repurchase our preferred shares for US $25/share. GEN forecasts declaring a dividend for the amount of the preferred share repurchase by GM of US $403 million.

c) We continued our contribution to the CAMR programme. Our CAMR work includes preparing statements of work, issuing Requests for Proposals, identifying and contracting with consultants to perform the work, interacting between consultants and managers of the entity under review, monitoring the work of the consultants and reviewing the final report with the Department of Finance.

d) Through 2014 we continued our role as Agent to sell RTI working with our financial advisor Macquarie and legal, technical and other advisors. Progress was made with certain components of the project. A sales plan has not been finalized.

During 2014, we continued to work on a second sales mandate acting as agent for the government in the sale of DCB. A sales process has not yet been finalized.

e) Cameco continues to monitor and manage the Beaverlodge site and provides CEI with monthly invoices indicating costs incurred. These were paid after review by CEI. For 2014, payments to Cameco are forecast at $3 million. CEI is forecast to pay approximately $0.2 million for the year to cover claims and administrative costs for the benefit plan of retired employees.

4.2 Analysis of External Business Environment

The ongoing management of our holdings will depend, in part, on market conditions specific to the underlying company or investment.

The volume of work required of CDEV management is difficult to predict as it depends significantly on the requests of the Minister for assistance with the CAMR process or any divestment mandates.

Two assets for which we are acting as the sale agent are in the coal sector, and their performance is impacted by variability in coal pricing. The prices for coal decreased during 2013 and through 2014 continue to be depressed. As well, for the successful sale of either one of these assets, it is necessary to interact and attain agreements with other stakeholders such as adjacent land owners, First Nations, landlords, or other governments. The ability to reach satisfactory agreements with them affects the potential success of these agency roles.

The performance of CHHC is impacted by the normal variability associated with crude oil pricing, specifically the "Brent" price of crude oil, the CAD/USD foreign exchange rate, production rates, capital expenditures, operating expenditures and reservoir performance. However, given the relatively low cost structure of the Hibernia project, expected crude oil prices and foreign exchange fluctuations do not impact the sustainability of the project.

The value of the common shares of GM is affected by fluctuating stock market prices and changes in the USD/CAD exchange rate. The value of the GM preferred shares held by GEN are impacted by foreign exchange movements. The preferred shares cannot be purchased back by GM until December 2014, at which time we anticipate that they will be repurchased. To reduce foreign exchange exposure we receive and pay GEN dividends in US dollars. We anticipate GM will continue to pay dividends on its common shares but this could change as the common dividends are declared at the discretion of GM's board of directors.

CEI's financial obligations to Cameco may be affected by ongoing changes in the regulatory requirements enacted in particular by the Canadian Nuclear Safety Commission ("CNSC") and the Government of Saskatchewan.

5.0 OBJECTIVES AND STRATEGIES FOR THE PERIOD 2015 TO 2019

Canada Development Investment Corporation

Our main objectives are to manage the interests of the Government assigned to us, in a commercial manner. These are the main areas of focus for 2015 and beyond:

- Manage our working interest in the Hibernia Oil Project through our subsidiary CHHC and ensure that this asset is ready for sale when deemed appropriate.
- Manage our holdings in GM through GEN in a commercial manner while considering the Government's policy pronouncements, and ensure that these assets are ready for disposition when the market and other conditions are suitable for such a disposition.
- Act as the Government's agent in the potential sales of RTI and DCB. These efforts are expected to continue in 2015. To undertake these projects we have hired contractors as well as relying on our advisors who have expertise in the field.
- Continue our involvement in the Government's CAMR programme as requested by the Minister.
- Manage our operations to maintain our ability to perform all tasks given to us in an efficient manner. This includes the use of contracted experts and consultants to undertake projects that are specialized and short-term in nature.
- Continue to identify and implement new ways to reduce operating expenditures that are under our control but which do not adversly impact our performance under the mandates given to us.
- Remain available and prepared to address the needs of the Government for any future endeavour that is suitable given our capabilities and expertise.

Section 6.3 further discusses key financial assumptions for the proforma financial statements and schedules included as part of this Corporate Plan Summary.

5.1 Canada Hibernia Holding Corporation

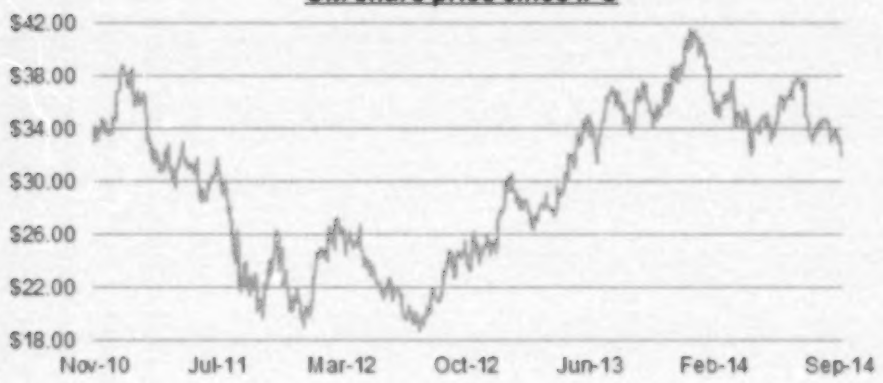
Please see the attached Appendix B for detailed information on the objectives and strategies of CHHC. At a high level, we note that planned CHHC 2015 sales volume of 3.14 million barrels is expected to be lower than 2013 (4.30 million barrels) and 2014 forecast (3.66 million barrels) due to reduced field production, CHHC's share of production, and the fact that 2013 was an extrordinarily high production year. Dividends will decrease in 2015 to $69 million from $134 million in 2014 due to lower crude oil prices, increased capital expenditures, and a decrease in cash available due to cash adjustments.

5.2 Canada GEN Investment Corporation

GEN holds approximately 7% of the outstanding common shares of GM. At the end of 2014 it is anticipated that GM will purchase the Cumulative Series A Preferred Shares from GEN for US $403 million. We expect these proceeds will be distributed to the Government shortly thereafter. GEN's management and Board of Directors oversee the management of this investment. We retain expert advisors to assist us in analysing the investment.

We have a commercial mandate; accordingly GEN will act to dispose of the GM holding in a commercial manner and considering the Government's policy pronouncements. Orders in Council are in place to allow for disposition of all of these holdings.

GM share price since IPO



After December 2014 it is expected that GEN will no longer receive preferred dividends each quarter. In 2014 GEN received common share dividends from GM on the shares it owns.

The market price for GM common shares has not performed well in 2014. After reaching a price of over US $42 per share at the end of 2013, the GM common stock price fell in the first and second quarter of 2014 to a low near US $32 per share. We continue to monitor the price and trading activity as well as the operating performance of GM and the future prospects of the company with the assistance of our financial advisor to identify appropriate opportunities to sell. Our holdings represent less than 7% of the outstanding GM common shares and the shares have a very liquid market.

Given the uncertainty of timing of GM share sales, for the purposes of the proforma financial statements in the planning period, GEN has not forecast any GM common share sales. GEN considers the use of hedging its positions, but to date has not undertaken any hedging activity.

5.3 Canada Eldor Inc.

CEI has mine site restoration liabilities related to a decommissioned Uranium mine of Eldorado Nuclear in northern Saskatchewan and costs related to post-employment benefits of former employees. CEI is also a defendant in a class action lawsuit going back several years in the Deloro township of Ontario.

5.3.1 CEI – Mine Site Restoration (near Beaverlodge Lake, Saskatchewan)

Beaverlodge is a former uranium mine site which has been inactive since prior to the sale of Eldorado assets to Cameco. Pursuant to the Purchase and Sale Agreement, CEI is responsible for all costs associated with the decommissioning of this site which was

transferred to Cameco at the time of the sale. Cameco is responsible for the monitoring and management of the site and CEI reimburses Cameco for actual costs plus a 15% management fee. CEI accrues these costs based on estimates provided by Cameco. CEI evaluates any potential efforts by Cameco staff in managing the process. CEI has hired independent consultants to assist it in monitoring Cameco's performance.

A plan is in place to prepare the properties for hand over to the Institutional Control ("IC") programme of the Province of Saskatchewan. The license for the Beaverlodge properties was renewed by the CNSC for a ten-year period ending May 2023.

Under IC the Province of Saskatchewan assumes management and monitoring of sites in exchange for a payment once the sites have been deemed to meet certain standards and are stable. Eventually the whole Beaverlodge site is planned to be transferred to the Province. Several of the peripheral sites were transferred to IC in 2009.

Cameco updates its work plan annually with cost estimates for the balance of this project. As at September 30, 2014 costs are estimated at $14 million and the project is scheduled to be completed in 2023.

5.3.2 CEI - Defined Benefit Obligations

Pursuant to the Purchase and Sale Agreement, CEI is responsible for the management of the benefit plan for all Eldorado and Eldor employees who retired prior to October 1988. These benefits include life insurance, health and dental benefits. As of September 30, 2014, there were 192 former employees in this plan which is administered through Cameco. The retirement benefit obligations are $2 million at September 30, 2014. It is not expected that any further actuarial valuation will be performed on the obligation due to the immaterial amount involved. The obligation and payments are administered by Cameco on our behalf.

5.3.3 CEI - Contingency: Litigation related to the Deloro lawsuit

In 2000, CEI was named a party to a class action lawsuit relating to contamination in the Deloro area in Ontario. The Statement of Claim was filed against the Province of Ontario, the Attorney General of Canada, the Atomic Energy Control Board, BOC Canada Limited (a private company) and CEI. CEI was included in this action as a result of an allegation that Eldorado Mining and Refining Limited sold some waste (in the 1940's) to BOC who then further refined the waste. The remnants of this are alleged to have been a part of the creation of the contamination. Previous conversations with officials at Natural Resources Canada indicate that this is substantially an issue for the Province of Ontario. The Department of Justice was appointed as counsel and a Notice of Intent to Defend was served on the plaintiffs. For several years there has been no activity on this matter and the outcome remains undeterminable at this time.

5.4 The Corporate Asset Management Review and Agency Divestiture Mandates

We continue to undertake responsibility for those components of CAMR assigned to us by the Department of Finance. The actions we undertake include identifying suitable

consulting firms given project mandates, developing statements of work and requests for proposals for projects, evaluating RFP proposals, hiring consultants, and managing the review project. We remain staffed to undertake these roles and we also hire contractors with specific skills and experience to augment our capabilities.

For the current or any future mandates to act as agent in the sale of a corporate asset of the Government, we identify and hire required financial and other advisors to evaluate the asset, provide advice to the Government on the possibilities and requirements to undertake a sale, manage a sales process as required, and help facilitate the execution of a potential sale. The timing for any sale is not known. We assume that all advisory and transaction expenditures incurred as agent will be recovered through any completed sales process.

We will manage the work effort of our advisors and other activity on this project contingent on the prospective price of coal and hence the potential proceeds of a sale.

5.5 Risks and risk mitigation

We and our subsidiaries are subject to a number of risks. Those related to CHHC are detailed in its Corporate Plan (see Appendix B).

GEN's holdings of GM common shares are exposed to market pricing risk, foreign exchange risk and other risks associated with a global manufacturer and distributor of vehicles. For each US $1/share change in price, the resulting value of our investment changes the CAD equivalent of US $110 million. Similarly a C$0.01 change in the CAD/USD exchange rate affects the value of our GM holdings by $394 million at September 2014 price levels. Given the swings in the share price of GM common shares in the first nine months of 2014 from a high of approximately US $42 to a low of US $32 this risk in value is material.

Changes in share value are reflected in Other Comprehensive Income as detailed in our Consolidated Statement of Comprehensive Income. Our divestment strategy and analysis incorporates the risk associated with market and foreign exchange risks. The changes in CAD/USD exchange rate do not materially impact our cash flow at GEN since a significant portion of GEN's expenditures are in USD. GEN pays dividends in USD to further reduce any foreign exchange exposure.

The global auto industry continues to be impacted by several factors including, among others: strong competition, over capacity in certain markets, significant capital investments to design and manufacture vehicles that the market demands, consumer confidence and the global economic environment and more specifically the economy in the U.S. and Europe. 2014 has experienced a continued improvement in the market for light vehicles in the U.S. where annualized light vehicle sales rates have increased in 2014 from approximately 16 million vehicles in early 2014 to over 17 million in August. In 2014 GM was impacted by lawsuits related to ignition switch faults. GM is currently a defendant in several lawsuits and is also undertaking to pay compensation to the families of victims of

accidents related to the faulty ignitions switches. GM is also under investigation by the U.S. government due to the ignition switch faults. The total cost to GM for all of these issues is not known and may affect the value of GM common stock.

CEI is subject to considerable liabilities, as discussed above, due to its undertakings to Cameco as part of the 1988 Purchase and Sale agreement. Provisions for the future costs related to the Beaverlodge mine site and defined benefits are currently estimated at $16 million. CEI has approximately $5 million in cash and short-term investments and $21 million in funds deposited with the CRF to fund these liabilities. Whether these funds are adequate is unknown due to the potential but unknown liabilities related to the 1988 agreement including site restoration and retiree benefits and a lawsuit which CEI faces.

CDEV has no significant known liabilities at present. Since the level and type of activity under sales agency roles or other undertakings requested by the Minister are hard to predict, we maintain a working capital level of $20 million at CDEV to provide for possible costs given that CDEV cannot receive appropriations from the Government.

The CAMR programme is funded by cash resources of CDEV. Given the cash available from CHHC dividends, the costs associated with this programme do not materially increase the risks to CDEV.

CDEV manages its information technology using a third-party service provider that provides up-to-date technical expertise. We regularly discuss and evaluate our IT services to mitigate IT risks.

6.0 FINANCIAL SECTION

6.1 Financial Overview for 2014

Consolidated profit is forecast for 2014 at $311 million which includes CHHC income of $134 million. Dividends paid are forecast for 2014 at $313 million.

GEN pays dividends to CDEV after GEN meets its obligations and CDEV then pays a dividend to the Government, one third of which is paid to the Government of Ontario as directed. GEN's income is forecast at $186 million for 2014. Another dividend of $447 million (US$ 401 million) is expected to be paid shortly after year end from the proceeds of the sale of the GM preferred shares back to GM.

Forecast professional fees are $7 million which is below plan of $nil due to a lack of any recovery of costs from agency sales roles.

Included in this plan are five-year proforma financial projections as follows (December year-end) (On the following Schedules, numbers may not add due to rounding):

Schedule 1 - Consolidated Statements of Financial Position
Schedule 2 - Consolidated Statements of Cash Flows
Schedule 3 - Consolidated Statements of Changes in Shareholder's Equity
Schedule 4 - Consolidated Statements of Comprehensive Income

Key assumptions for the above schedules are outlined below in Section 6.3.

6.2 Quarterly Financial Reporting

We issue Quarterly Financial Statements which are posted in both English and French on our website (www.cdev.gc.ca) within 60 days of a quarter end.

6.3 Key Assumptions in Financial Projections

This Corporate Plan Summary is based on the following assumptions:

Canada Development Investment Corporation (non-consolidated)

1) Operating Costs - Financial projections assume management and the Board continue to closely manage costs. Forecast administration costs (Salary, Benefits and Other) are approximately $2 million annually throughout the planning period which is the same as the 2014 forecast. Professional fees for 2015 Plan are $6 million. Advisory and transaction fees will be recovered through any sales process.

Dividends Paid to the Government

2014	$313 million
2015	656
2016	253
2017	228
2018	232
2019	270

Dividends in 2015 are higher than 2014 due to the projected proceeds from the sale of the GM preferred shares net of lower CHHC earnings and increased CHHC capital expenditures. A portion of CHHC dividends retained at CDEV is used to fund CDEV operations and costs incurred in asset review and agency sales roles.

2) Foreign Exchange Rate – For the plan period, 2015 to 2019, an exchange rate of US $1.00 equals C $1.13 is used for CDEV and all of its subsidiaries.

Canada Hibernia Holding Corporation

3) Operating Revenues and Costs – CHHC's revenues and costs are discussed in detail in Appendix B.

4) Dividends paid – CHHC will pay dividends to CDEV as discussed above.

Canada Eldor Inc.

5) Operating Expenses - CEI's operating expenses are projected at $0.2 million in 2015 to 2019. These are primarily management fees from CDEV and director fees.

6) Site Restoration (Beaverlodge) - CEI has accrued anticipated costs of approximately $14 million for the decommissioning of the Beaverlodge site which is anticipated to be completed by 2023 but may be extended depending on plans developed with Cameco. Most of the costs will be incurred in the next five years.

7) Retiree Benefits – Annual benefits and administration payments are estimated at $0.3 million which are provided for in the defined benefit obligation liability.

8) Litigation - No payments are assumed for the lawsuit which CEI is defending other than for minimal legal advisor costs.

9) CRF - Interest is accrued on CEI's funds on deposit in the CRF at a rate equal to 90% of the Government's 90-day Treasury Bill rate. In the plan years we will withdraw funds from the CRF as needed.

Canada GEN Investment Corporation

10) GM Common Shares – The traded share price at the end of September 2014 of US $31.93 per share has been assumed to remain constant through the plan period as no reliable method of predicting the future share price is available. GEN is not predicting any share dispositions for the purposes of the financial projections but the timing of dispositions will be dependent on the market and other factors such as the Government's policy pronouncements.

11) Operating Expenses – GEN's operating expenses, primarily consisting of legal and financial advisory costs, are projected at $1 million annually throughout the planning period but can vary depending on any GM common share sale activity.

12) Dividend Income and retention of funds – GEN expects to receive common share dividends of US $132 million (C $149 million) in 2015. GEN will retain adequate funds to fund the operations of GEN.

6.4 Capital Budget

Neither we, nor our wholly owned subsidiaries CHHC, CEI or GEN, require any capital funding for the 2015 fiscal year. Any capital outlays by CHHC are funded from operating cash flow. The capital expenditures by CHHC are discussed in the CHHC Corporate Plan and the amounts are noted in Schedule 2 line item: "Purchase of property and equipment – CHHC". CDEV, GEN and CEI are not involved in capital intensive businesses.

Schedule 1 - Proforma Consolidated Statements of Financial Position

$ millions (Dec 31)

	2013 Actual	2014 Plan	2014 Forecast	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Assets								
Currents assets:								
Cash and cash equivalents	101.77	86.62	537.77	86.87	86.44	87.04	86.24	86.68
Accounts receivable	58.20	21.38	42.51	40.02	40.02	40.02	40.02	40.02
Other	8.29	7.95	6.06	5.82	5.65	5.45	5.17	4.94
	168.26	**115.95**	**586.34**	**132.71**	**132.11**	**132.51**	**131.43**	**131.64**
Non current assets:								
Cash on deposit in CRF (CEI)	22.28	18.93	19.19	17.62	15.95	14.31	12.73	11.08
Abandonment and risk fund (CHHC)	96.55	97.40	97.34	98.17	99.00	99.84	100.69	101.55
Property & equipment	124.43	193.04	152.37	194.88	205.93	232.40	261.36	261.78
Cash and equivalents held in escrow	5.97	11.92	5.97	11.92	11.92	11.92	11.92	11.92
Investments	5,234.31	4,081.94	3,910.21	3,980.66	3,980.66	3,980.66	3,980.66	3,980.66
Deferred tax asset	9.84	4.14	15.75	15.17	14.31	12.18	7.83	5.65
	5,493.38	**4,407.37**	**4,200.83**	**4,318.42**	**4,327.77**	**4,351.31**	**4,375.19**	**4,372.64**
	5,661.64	**4,523.32**	**4,787.17**	**4,451.13**	**4,459.88**	**4,483.82**	**4,506.62**	**4,504.28**
Liabilities and Shareholder's Equity								
Current liabilities	33.27	27.97	470.74	21.98	21.79	21.60	21.32	21.08
Long term liabilities	79.65	92.59	91.49	89.74	87.84	87.79	88.11	88.77
Shareholder's Equity								
Share capital	-	-	-	-	-	-	-	-
Contributed surplus	2,757.14	2,342.14	2,310.14	2,310.14	2,310.14	2,310.14	2,310.14	2,310.14
Accumulated deficit	(308.88)	(336.48)	(310.56)	(266.54)	(255.70)	(231.52)	(208.76)	(211.52)
Accumulated other comprehensive income	3,100.46	2,397.10	2,225.36	2,295.81	2,295.81	2,295.81	2,295.81	2,295.81
	5,548.72	**4,402.76**	**4,224.94**	**4,339.41**	**4,350.25**	**4,374.43**	**4,397.19**	**4,394.43**
	5,661.64	**4,523.32**	**4,787.17**	**4,451.13**	**4,459.88**	**4,483.82**	**4,506.62**	**4,504.28**

Note - see Appendix B for CHHC detailed Financial Statement

Schedule 2 - Proforma Consolidated Statements of Cash Flow

$ millions (Dec 31)

	2013 Actual	2014 Plan	2014 Forecast	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Cash provided by (used in):								
Operating activities:								
Profit for the year	**906.35**	**141.68**	**310.88**	**253.38**	**263.40**	**251.74**	**254.32**	**266.80**
Adjustments for								
Depletion and depreciation	43.23	33.50	51.29	40.89	43.88	40.55	39.18	41.86
Change in fair value of preferred shares	(30.00)	20.00	2.00	-	-	-	-	-
Gain on sale of investment	(679.60)	-	-	-	-	-	-	-
Other	(2.31)	0.94	(9.34)	(2.41)	(2.21)	0.89	3.40	1.62
	237.67	196.12	354.83	291.84	305.07	293.18	296.90	310.28
Change in non-cash working capital	(22.92)	23.86	8.38	0.96	-	-	-	-
	214.75	**219.98**	**363.21**	**292.80**	**305.07**	**293.18**	**296.90**	**310.28**
Financing activities:								
Dividends paid	(844.55)	(167.30)	(312.57)	(209.36)	(252.56)	(227.56)	(231.56)	(269.56)
Dividends paid from contributed surplus	(459.15)	(415.00)	-	(447.00)	-	-	-	-
Other	(1.59)	(0.02)	(0.03)	-	-	-	-	-
	(1,305.29)	**(582.32)**	**(312.60)**	**(656.36)**	**(252.56)**	**(227.56)**	**(231.56)**	**(269.56)**
Investing:								
Proceeds on sale of investments	1,134.24	415.00	447.00	-	-	-	-	-
Purchase of property and equipment	(34.92)	(70.60)	(66.62)	(83.40)	(54.93)	(67.02)	(68.14)	(42.28)
Withdrawal from CRF	-	4.00	5.00	2.00	2.00	2.00	2.00	2.00
Cash and cash equivalents held in escrow	-	(5.95)	-	(5.95)	-	-	-	-
Change in non-cash working capital	(4.34)	-	-	-	-	-	-	-
	1,094.98	**342.45**	**385.38**	**(87.35)**	**(52.93)**	**(65.02)**	**(66.14)**	**(40.28)**
Increase (decrease) in cash & cash equivalents	4.44	(19.89)	435.99	(450.90)	(0.42)	0.60	(0.80)	0.43
Cash and cash equivalents, beginning of year	97.33	106.50	101.77	537.77	86.87	86.44	87.04	86.24
Cash and cash equivalents, end of year	**101.77**	**86.61**	**537.77**	**86.87**	**86.44**	**87.04**	**86.24**	**86.68**

Schedule 3 - Proforma Consolidated Statements of Changes in Shareholder's Equity

$ millions (Dec 31)

	2013 Actual	2014 Plan	2014 Forecast	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Share Capital								
Balance, beginning and end of year	-	-	-	-	-	-	-	-
Contributed Surplus								
Balance, beginning of year	**3,216.29**	**2,757.14**	**2,757.14**	**2,310.14**	**2,310.14**	**2,310.14**	**2,310.14**	**2,310.14**
Dividends	(459.15)	(415.00)	(447.00)	-	-	-	-	-
Balance, end of year	**2,757.14**	**2,342.14**	**2,310.14**	**2,310.14**	**2,310.14**	**2,310.14**	**2,310.14**	**2,310.14**
Accumulated deficit								
Balance, beginning of year	(370.77)	(310.87)	(308.88)	(310.56)	(266.54)	(255.70)	(231.52)	(208.76)
Profit	906.35	141.68	310.88	253.38	263.40	251.74	254.32	266.80
Actuarial loss on defined benefit obligation	0.08	-	-	-	-	-	-	-
Dividends paid	(844.54)	(167.30)	(312.56)	(209.36)	(252.56)	(227.56)	(231.56)	(269.56)
Balance, end of year	**(308.88)**	**(336.49)**	**(310.56)**	**(266.54)**	**(255.70)**	**(231.52)**	**(208.76)**	**(211.52)**
Accumulated other comprehensive income								
Balance, beginning of year	1,872.65	2,397.10	3,100.46	2,225.36	2,295.81	2,295.81	2,295.81	2,295.81
Realized gain on sale of GM shares	(679.60)	-	-	-	-	-	-	-
Net change in fair value of financial assets	1,907.41	-	(875.10)	70.45	-	-	-	-
Balance, end of year	**3,100.46**	**2,397.10**	**2,225.36**	**2,295.81**	**2,295.81**	**2,295.81**	**2,295.81**	**2,295.81**
Total Shareholder's equity	**5,548.72**	**4,402.75**	**4,224.94**	**4,339.41**	**4,350.25**	**4,374.43**	**4,397.19**	**4,394.43**

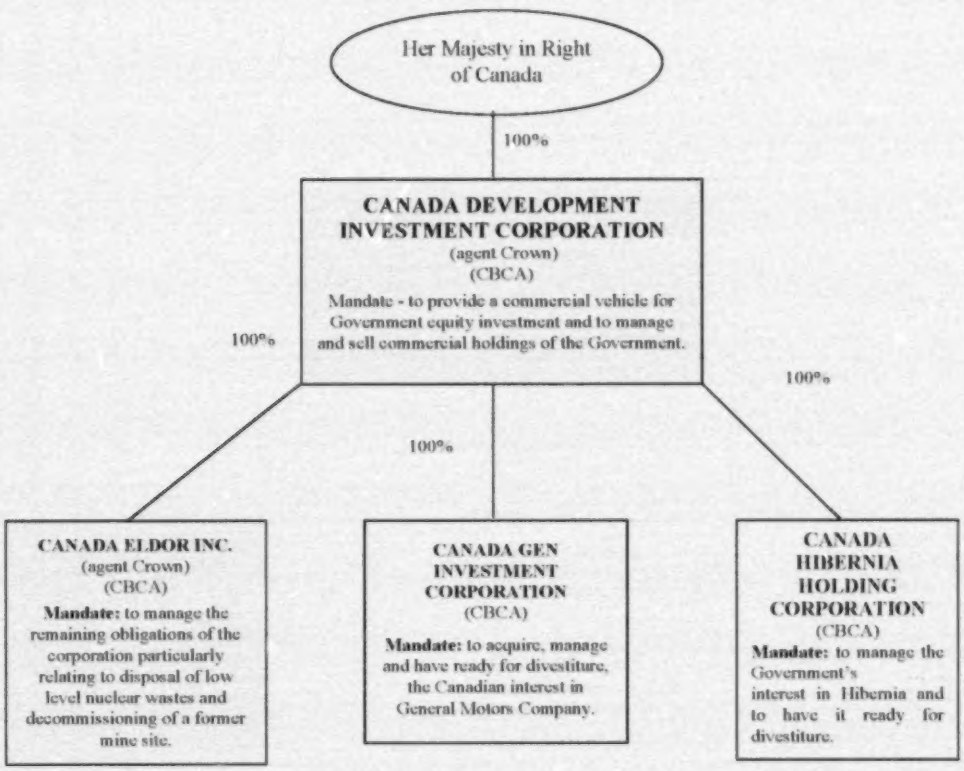
Schedule 4 - Proforma Consolidated Statements of Comprehensive Income (Loss)

$ millions (Dec 31)

	2013 Actual	2014 Plan	2014 Forecast	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Revenue								
Net crude oil revenue	312.90	236.94	270.78	226.15	232.84	211.97	216.35	240.05
Dividends	37.37	37.30	187.06	149.27	149.27	149.27	149.27	149.27
Gain on sale of investment	679.60	-	-	-	-	-	-	-
Interest income	2.16	2.20	2.55	2.31	2.04	2.02	2.01	2.00
	1,032.03	276.44	460.39	377.73	384.15	363.26	367.63	391.32
Expenses								
Depletion and depreciation	43.23	33.50	51.29	40.89	43.88	40.55	39.18	41.86
Production and operating expenses	25.50	24.38	28.96	25.76	19.82	18.61	21.50	24.94
Change in value of investment in preferred shares	(30.00)	20.00	2.00	-	-	-	-	-
Professional fees	8.27	0.30	7.01	8.26	3.17	3.43	2.87	2.89
Salaries and benefits	3.21	3.30	3.43	3.36	3.20	3.14	3.20	3.26
Other	3.47	1.04	3.12	1.13	1.14	1.12	1.17	1.16
	53.68	82.53	95.82	79.40	71.22	66.86	67.92	74.11
Finance costs	2.75	2.81	2.25	2.30	2.38	2.47	2.56	2.66
Profit before income taxes	**975.60**	**191.10**	**362.32**	**296.03**	**310.55**	**293.94**	**297.15**	**314.56**
Income taxes								
Current	74.71	45.12	57.35	42.07	46.29	40.07	38.48	45.58
Deferred	(5.46)	4.30	(5.91)	0.58	0.86	2.13	4.35	2.18
	69.25	49.42	51.44	42.65	47.15	42.20	42.83	47.76
Profit	**906.35**	**141.68**	**310.88**	**253.38**	**263.40**	**251.74**	**254.32**	**266.80**
Other comprehensive income (loss)								
Net actuarial gains on defined benefit obligations	0.08	-	-	-	-	-	-	-
Change in fair value of available-for-sale financial assets	1,907.41	-	(875.10)	70.45	-	-	-	-
Realized gain on available-for-sale financial assets transferred to profit or loss	(675.60)	-	-	-	-	-	-	-
	1,227.89	**-**	**(875.10)**	**70.45**	**-**	**-**	**-**	**-**
Comprehensive income	**2,134.25**	**141.68**	**(564.21)**	**323.83**	**263.40**	**251.74**	**254.32**	**266.80**

Appendix A

CANADA DEVELOPMENT INVESTMENT CORPORATION


Her Majesty in Right of Canada
100%
CANADA DEVELOPMENT INVESTMENT CORPORATION
(agent Crown)
(CBCA)
Mandate - to provide a commercial vehicle for Government equity investment and to manage and sell commercial holdings of the Government.
100%
100%
100%
CANADA ELDOR INC.
(agent Crown)
(CBCA)
Mandate: to manage the remaining obligations of the corporation particularly relating to disposal of low level nuclear wastes and decommissioning of a former mine site.
CANADA GEN INVESTMENT CORPORATION
(CBCA)
Mandate: to acquire, manage and have ready for divestiture, the Canadian interest in General Motors Company.
CANADA HIBERNIA HOLDING CORPORATION
(CBCA)
Mandate: to manage the Government's interest in Hibernia and to have it ready for divestiture.

Note - PPP Canada Inc has been proclaimed a parent Crown Corporation and although CDEV is its sole shareholder it has no further management responsibility for this company.

Appendix A (cont.)

Board of Directors

N. William C. Ross, LL.M. [2] [3]
Chairman
Canada Development Investment Corporation
Senior Counsel
WeirFoulds LLP
Toronto, Ontario

John James Hillyard, MBA [2] [3]
Director
St. John's, Newfoundland and Labrador

Ted Howell, CPA, CA, MBA [1] [3]
Director
St. John's, Newfoundland and Labrador

Mary Beth Montcalm, PhD [2]
Director
Toronto, Ontario

Mary Ritchie, FCA [1]
CEO
Richford Holdings Ltd.
Edmonton, Alberta

Benita M. Warmbold, FCPA, FCA [1] [2]
Senior Managing Director and CFO
Canada Pension Plan Investment Board
Toronto, Ontario

Nicholas Wemyss, PGeo [2] [3]
Director
Victoria, British Columbia

Committees of the Board
[1] Audit Committee
[2] Nominating and Governance Committee
[3] Human Resources and Compensation Committee

Officers

Michael Carter
Executive Vice-President

Andrew Stafl, CPA, CA
Vice-President, Finance

Zoltan Ambrus
Vice-President

Patrice Walch-Watson
Corporate Secretary

Appendix B

CHHC

CANADA HIBERNIA HOLDING CORPORATION

A wholly owned subsidiary of

Canada Development Investment Corporation

2015 CORPORATE PLAN SUMMARY

FOR THE YEARS 2015 – 2019

October, 2014

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8.0 Proforma Financial Statements 8

1.0 Hibernia Project - Summary

Canada Hibernia Holding Corporation (CHHC), a wholly-owned subsidiary of Canada Development Investment Corporation (CDEV), was formed in March 1993 for the purpose of holding, managing, administering and operating the Government of Canada's then 8.5% working interest in the Hibernia project, located 315 km east of St. John's, Newfoundland and Labrador.

Hibernia continues to be a very successful venture. By the end of 2014, CHHC forecasts to have paid cumulative dividends of $1.9 billion[1], $221 million in federal Net Profits Interest (NPI) and $588 million in federal income tax. Dividend payments commenced after CHHC had returned $431 million in appropriations to the Government of Canada for CHHC's share of the project's capital costs.

Dividends in 2014 are forecasted at $134 million which is consistent with $133 million projected in last year's Plan. Total gross field production of 119,400 barrels of oil per day (bopd) is close to Plan of 120,000 bopd, while oil prices and the US dollar exchange rate are both favorable.

Dividends are budgeted in the 2015 Plan to be $69 million, due to a reduction in budgeted oil prices, larger capital expenditure program, lower net oil production and a change in cash available for dividends due to other cash adjustments. The 2015 planned dividends in this year's Plan are lower than the $88 million forecast in last year's Plan for 2015, primarily due to lower oil prices.

CHHC's primary goal is to manage the shareholder's 8.5% ownership in the Hibernia project ensuring that the shareholder's interest is protected, its value is maximized and all decision-making is conducted in a commercially prudent manner.

CHHC pursues this goal through active participation in all committees which oversee the strategic direction of the project, providing input on operational matters including safety and environmental protection, managing the revenue stream, ensuring adherence to all government regulations and contractual obligations, and through a diligent involvement in marketing and transporting CHHC's share of oil production.

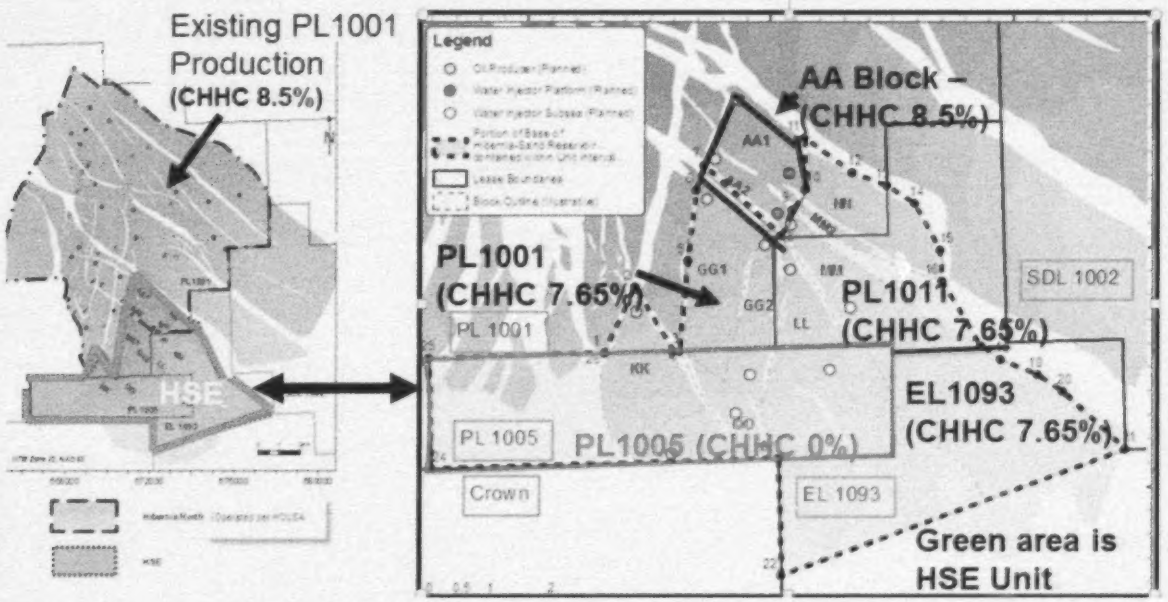
CHHC is a single asset company deriving its cash flow solely from its Hibernia production operating assets and activities which includes its share of Hibernia area field production, Hibernia facility use and processing fees, its transportation contractual arrangements and its reserved capacity interest at NTL.

While CHHC's initial share of funding was obtained through appropriations from Canada, funding since 1998 has come solely from the sale of CHHC's portion of crude oil produced at Hibernia. CHHC is responsible for having sufficient cash available to fund its capital and operating costs, royalties, NPI, income taxes, administrative costs and future abandonment costs without further government appropriations. CHHC is also responsible for paying federal

[1] All financial data is in Canadian dollars unless otherwise noted.

and provincial income taxes, royalties and the NPI on the same basis as private sector companies. CHHC has an 8.5% working interest in the portion of the Hibernia field PL1001 production license area originally approved for development and shown in the gray color on the diagram on the left below within the dashed lines and in the AA blocks shown in gray in the right hand diagram below. The other Owners in these PL1001 areas (Main Field) are: ExxonMobil (33.125%), Chevron (26.875%), Suncor (20.0%), Murphy (6.5%) and Statoil (5.0%).

The unitization[2] of the lands in the green area on the right-hand diagram below resulted in an initial working interest for CHHC 5.08482% in the HSE Unit. The other Owners in the HSE Unit are: ExxonMobil (27.36045%), Chevron (23.62167%), Suncor (19.50894%), Statoil (10.53567%), Nalcor (10%) and Murphy (3.88845%). These working interests will change according to the prescribed procedure in the HSE Unit Agreement.



Note 1: The "Main Field" is the "Existing PL1001 Production (CHHC 8.5%) area shown in gray on the left diagram above plus the "AA Block (CHHC 8.5%)" portion of the HSE area shown in gray on the diagram on the right.

Note 2: The "HSE Unit" area is shown in the above right-hand diagram in the green color.

The HSE Unit came about as a result of development drilling that demonstrated that the oil-water contact was much lower than first anticipated. This pushed the limits of the field south of the PL1001 lease.

[2] A common oilfield practice where owners reach a contractual agreement to share production, costs and investments on lands and assets with different ownership to enable co-coordinated development of a common reservoir(s) or pool(s)

In February 2010, Nalcor (Newfoundland and Labrador's provincial energy company) acquired a 10% equity interest from all the Hibernia Owners, in certain defined HSE lands, proportional to each Hibernia Owners' working interest. Accordingly, Nalcor has an initial 10% working interest in the HSE Unit.

The project is operated by the Hibernia Management and Development Company (HMDC) on behalf of the Owners, with the management, administrative and technical staff being provided under contract from ExxonMobil Corporation. The HSE Unit is operated in a similar manner. While the day-to-day operations of the field are managed by ExxonMobil, all Owners play an active role.

All activities undertaken to date and contemplated in this Corporate Plan remain within the mandate of CHHC.

2.0 Review of 2014 Operations

Forecast results for 2014 are based on eight months of actual and four months of forecast results. Accordingly, actual full year results may differ from this forecast. Notably, the actual timing of cargo deliveries can have a substantial effect on the actual year end numbers.

CHHC's 2014 dividend payments are forecast to be $134 million, just above the Plan of $133 million. Dividends are forecast to be lower than $142 million paid in 2013, due to lower production and higher capital expenditures on new projects compared to 2013.

Oil revenue is forecast to be $419 million which is $71 million or 20% higher than Plan due to a combination of average realized oil prices (Cdn$) being $11 per barrel (11%) higher than Plan and sales volumes being 0.31 million barrels (9%) higher than Plan. The 2014 combined (Main Field and HSE Unit) Hibernia forecast gross production of 119,400 bopd is close to Plan production of 120,000 bopd.

The oil price for 2014 is expected to average CAD $115 per barrel (bbl), vs. the planned amount of CAD $104 per bbl.

During 2014, CHHC paid to the Province a 30% net royalty rate for the vast majority of the Hibernia Main Field, a 42.5% net royalty rate for the AA blocks, a sliding scale net royalty rate of 42.5% on the PL1001 portion of the HSE Unit and a 5% gross royalty rate on the PL1011 portion of the HSE Unit. In addition, CHHC paid 10% NPI payments to Canada on PL1001 production.

Operating costs are forecast to be higher than Plan due to increased repair costs and operating work-overs and lower facility use fee recoveries. Administrative expenses are forecast to be consistent with Plan.

CHHC's share of capital spending for 2014 is forecast to be $67 million, which is $4 million lower than Plan due to the deferral of some programs to 2015.

All of the subsurface and surface work to enable production from the HSE Unit Hibernia Sands development was completed during the year. Two producing wells were previously drilled from the platform in 2011 and continue to be produced at low rates. Drilling of the first subsea water injection well started in 2014. The well may commence injection before year-end 2014. The Unit BNA development will commence after drilling of the Hibernia Sands injection wells.

Hibernia has an excellent safety and environment performance record, operates a safe workplace and continues to be in compliance with regulations. There have been no lost time incidents to September 30, 2014, although there was one lost time incident in 2013. With respect to environmental compliance, there was an unauthorized release of hydrocarbons of 6,000 litres on December 18, 2013 from the offshore loading system.

3.0 Objectives for 2015

CHHC's major business objectives for 2015 are to deliver operating and financial performance in accordance with the budget, continue effective implementation of HSE Unit development, to encourage the development of additional BNA resources, continue to play an active role in the basin wide transportation system discussions, and promote the profitable diversification of markets for sales of Hibernia crude.

4.0 Marketing and Transportation

The price that CHHC receives for its production is linked to the Dated Brent benchmark price which is used for supply pricing for refineries with access to waterborne crude. Brent fluctuates with global supply and demand issues, including a wide range of geopolitical factors and is priced in US dollars.

CHHC's continues to jointly market its oil with Suncor. With the aging of the tankers and new fields coming on production, all Grand Banks owners have been discussing a more efficient basin wide transportation and transshipment system.

5.0 Risks

This Corporate Plan has the normal variability associated with crude oil pricing, foreign exchange rates, capital expenditures, operating expenses and reservoir performance. Of these variables, the following are deemed important to CHHC for the 2015 Corporate Plan.

a) Operational and technical issues and risks
b) Commodity price risk
c) Foreign currency risk
d) Regulations and royalties risk
e) Environmental risks
f) Abandonment and risk reserve
g) Information and data security

h) Credit risk

For the HSE Unit and planned BNA expansion projects, the major production prediction uncertainties are related to reservoir quality, water injection rates, sand control, reservoir thickness, reservoir faults, inter-block connectivity, oil-water contact depth, and drilling complexity.

CHHC has elected not to engage in crude oil price or foreign exchange hedging. The current marketing arrangement with Suncor and the sharing of revenues from multiple cargoes reduces the exposure to fluctuating prices over the year.

6.0 Financial Section – 2015 Plan

CHHC has planned for a gross average production rate of 109,700 bopd in 2015. Gross production is expected to be 8% lower in 2015 compared to 2014 due to increased production downtime associated with the triennial platform maintenance shutdown and decline of the Main Field, partially offset by increased production from the HSE Unit. Main Field production is projected to decline until 2017 and then rise from new production from the capital investments in Hibernia BNA reservoir development.

When integrated with the transportation and lifting schedule, the production budget is expected to result in the sale for CHHC's account of 3.14 million barrels of oil.

The oil revenue for 2015 is projected to total $323 million, 23% lower than forecast for 2014 due to 14% lower volume and 10% lower Canadian realized price. The price assumption for 2015 is a Canadian realized price of $103 per barrel.

Royalties and NPI expense in 2015 are expected to decline more significantly than revenue (decrease of 35%), due to significantly higher capital costs in 2015 which are eligible for royalty deduction. This results in an effective average combined royalty and NPI rate of 30% in 2015, as compared to 35% in 2014.

Net operating cash flow is forecast to be $157 million, after project expenses (operating and transportation expenses less facility/processing fees) of $26 million, royalty payments of $74 million, NPI payments of $23 million, general and administrative costs of $3 million and income taxes of $42 million, and including interest income of $2 million.

CHHC's share of planned capital expenditures in 2015 is $83 million, (up from $67 million in 2014), composed of $49 million for drilling (61% directed to HSE Unit) and $34 million for facility projects (21% directed to HSE Unit). The capital plan includes funds for drilling, gas lift equipment, HSE Unit development and BNA development in the non-unit portion of the field.

The increased expenditures in 2015 relate mainly to the development of the BNA sands, the drilling of further wells, programs, and the HSE Unit drilling.

2015 Plan dividends of $69 million are $65 million lower than 2014 forecast dividends, due to lower budgeted oil prices, higher capital expenditures, lower available cash and working capital, and lower production. The 2015 dividends in this year's Plan of $69 million are below the 2015 dividends of $88 million budgeted in last year's Plan, due mainly to lower oil prices.

CHHC's cash flows are sensitive to crude oil price, exchange rates and production volumes. Sensitivities of these items on 2015 annual cash flows, after tax, are as follows:

Item	Sensitivity	CHHC After Tax Cash Flow Change *($Cdn millions)*
Oil Price	US$ 1.00/barrel	$1.9
US$ Exchange Rate	$ 0.01	$1.6
Hibernia Gross Production Volume	10,000 barrels of oil per day	$16.3

7.0 Organization

Since its inception in 1993, CHHC has been staffed by a modest number of experienced energy industry professionals. At the end of 2014, the staff is forecast to consist of 7 full and part-time employees (5.6 full-time equivalent), 1 full-time contractor and 2 part-time contractors. Reservoir evaluation, legal, audit, insurance, administrative and other advisory services are also accessed when required.

8.0 Proforma Financial Statements

CHHC prepares its financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), with effect from January 1, 2010.

Attached are Schedules I, II and III.

Canada Hibernia Holding Corporation **Schedule I**
Proforma Statements of Financial Position
December 31, 2013 To 2019
Cdn$ millions

	2013 Actual	2014 Plan	2014 Forecast	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Assets								
Current assets:								
Cash and short term investments	76.73	60.28	64.01	60.51	60.49	60.83	60.11	60.36
Accounts receivable	58.12	21.38	42.51	40.02	40.02	40.02	40.02	40.02
Prepaid and deferred	0.28	0.29	0.28	0.28	0.28	0.28	0.28	0.28
Inventory	3.02	4.04	3.02	3.02	3.02	3.02	3.02	3.02
Total current assets	**138.15**	**85.99**	**109.82**	**103.83**	**103.81**	**104.15**	**103.43**	**103.68**
Property and equipment:								
Hibernia project facilities and wells	261.25	363.34	340.48	423.88	478.81	545.83	613.97	656.25
Crude oil tanker	13.55	13.55	-	-	-	-	-	-
Total property and equipment at cost	274.80	376.89	340.48	423.88	478.81	545.83	613.97	656.25
Less accumulated depletion and depreciation	(150.37)	(183.85)	(188.11)	(229.00)	(272.88)	(313.43)	(352.61)	(394.47)
Net property and equipment	**124.43**	**193.04**	**152.37**	**194.88**	**205.93**	**232.40**	**261.36**	**261.78**
Other assets:								
Deferred tax asset	9.84	4.14	15.75	15.17	14.31	12.18	7.83	5.65
Cash held in escrow	5.97	11.92	5.97	11.92	11.92	11.92	11.92	11.92
Abandonment and risk fund	96.55	97.40	97.34	98.17	99.00	99.84	100.69	101.55
Total other assets	**112.36**	**113.46**	**119.06**	**125.26**	**125.23**	**123.94**	**120.44**	**119.12**
	374.94	**392.49**	**381.25**	**423.97**	**434.97**	**460.49**	**485.23**	**484.58**
Liabilities and Shareholder's Equity								
Current liabilities:								
Accounts payable and accrued liabilities	26.32	23.73	20.98	19.43	19.43	19.43	19.43	19.43
Income taxes payable	(0.90)	0.24	(0.40)	(0.40)	(0.40)	(0.40)	(0.40)	(0.40)
Current lease obligation	2.06	-	-	-	-	-	-	-
Due to shareholder	0.40	0.38	0.40	0.40	0.40	0.40	0.40	0.40
Total current liabilities	**27.88**	**24.35**	**20.98**	**19.43**	**19.43**	**19.43**	**19.43**	**19.43**
Other liabilities:								
Deferred tax liability	-	-	-	-	-	-	-	-
Decommissioning liability	64.68	79.34	77.89	77.94	77.68	79.09	80.61	82.25
Total other liabilities	**64.68**	**79.34**	**77.89**	**77.94**	**77.68**	**79.09**	**80.61**	**82.25**
Shareholder's equity:								
Retained earnings	282.38	288.80	282.38	326.60	337.86	361.97	385.19	382.90
Total shareholder's equity	**282.38**	**288.80**	**282.38**	**326.60**	**337.86**	**361.97**	**385.19**	**382.90**
	374.94	**392.49**	**381.25**	**423.97**	**434.97**	**460.49**	**485.23**	**484.58**

Canada Hibernia Holding Corporation **Schedule II**
Proforma Statements Of Income And Retained Earnings
Years Ended December 31, 2013 To 2019
Cdn$ millions

	2013 Actual	2014 Plan	2014 Forecast	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Revenue								
Crude oil sales	491.79	348.20	419.38	323.08	350.14	323.61	322.91	378.03
Royalty	(135.75)	(86.00)	(112.26)	(74.32)	(91.04)	(90.61)	(87.19)	(109.63)
Net profits interest	(43.14)	(25.26)	(36.34)	(22.61)	(26.26)	(21.03)	(19.37)	(28.35)
Net crude oil sales	312.90	236.94	270.78	226.15	232.84	211.97	216.35	240.05
Interest income	1.65	1.71	2.05	1.85	1.59	1.60	1.60	1.61
Facility use and processing fee income	0.65	2.00	0.81	2.52	6.03	5.13	4.32	2.70
Total revenue	**315.20**	**240.65**	**273.64**	**230.52**	**240.46**	**218.70**	**222.27**	**244.36**
Expenses								
Field operating	21.02	22.34	25.09	22.00	18.87	17.13	19.28	20.49
Transportation	5.13	4.04	4.68	6.28	6.98	6.61	6.54	7.15
Administration	2.78	3.09	3.47	3.43	3.17	2.84	2.85	2.90
Interest - capital lease	0.09	0.02	0.03	-	-	-	-	-
Depletion and depreciation	43.23	33.50	51.29	40.89	43.88	40.55	39.18	41.86
Accretion	2.42	2.57	1.95	2.05	2.15	2.26	2.37	2.49
Other	(2.79)	-	1.69	-	-	-	-	-
Total expenses	**71.88**	**65.56**	**88.20**	**74.65**	**75.05**	**69.39**	**70.22**	**74.89**
Net income before tax	**243.32**	**175.09**	**185.44**	**155.87**	**165.41**	**149.31**	**152.05**	**169.47**
Income taxes								
Deferred income tax	(5.46)	4.30	(5.91)	0.58	0.86	2.13	4.35	2.18
Current income tax	74.71	45.12	57.35	42.07	46.29	40.07	38.48	45.58
Total income taxes	69.25	49.42	51.44	42.65	47.15	42.20	42.83	47.76
Net income	**174.07**	**125.67**	**134.00**	**113.22**	**118.26**	**107.11**	**109.22**	**121.71**
Retained earnings:								
Beginning of year	250.31	296.13	282.38	282.38	326.60	337.86	361.97	385.19
Dividends	(142.00)	(133.00)	(134.00)	(69.00)	(107.00)	(83.00)	(86.00)	(124.00)
End of year	**282.38**	**288.80**	**282.38**	**326.60**	**337.86**	**361.97**	**385.19**	**382.90**

Canada Hibernia Holding Corporation **Schedule III**
Proforma Statements Of Cash Flow
Years Ended December 31, 2013 To 2019
Cdn$ millions

	2013 Actual	2014 Plan	2014 Forecast	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Operating activities:								
Net income for year	174.07	125.67	134.00	113.22	118.26	107.11	109.22	121.71
Depletion and depreciation	43.23	33.50	51.29	40.89	43.88	40.55	39.18	41.86
Accretion	2.42	2.57	1.95	2.05	2.15	2.26	2.37	2.49
Interest, net	(1.56)	(1.69)	(2.02)	(1.85)	(1.59)	(1.60)	(1.60)	(1.61)
Income tax expense	69.25	49.42	51.44	42.65	47.15	42.20	42.83	47.76
Unrealized foreign exchange gain	(0.19)	-	-	-	-	-	-	-
Abandonment activities	(0.90)	(2.04)	(1.35)	(2.00)	(2.41)	(0.85)	(0.85)	(0.85)
Income taxes paid	(73.67)	(45.12)	(57.35)	(42.07)	(46.29)	(40.07)	(38.48)	(45.58)
Changes in non-cash working capital	(22.85)	23.86	8.71	0.94	-	-	-	-
	189.80	**186.17**	**186.67**	**153.83**	**161.15**	**149.60**	**152.67**	**165.78**
Investing activities:								
Hibernia project facilities and wells	(34.92)	(70.60)	(66.62)	(83.40)	(54.93)	(67.02)	(68.14)	(42.28)
Interest received	1.65	1.71	2.05	1.85	1.59	1.60	1.60	1.61
Cash held in escrow	-	(5.95)	-	(5.95)	-	-	-	-
Abandonment and risk fund	(0.84)	(0.82)	(0.79)	(0.83)	(0.83)	(0.84)	(0.85)	(0.86)
Changes in non-cash working capital	(4.34)	-	-	-	-	-	-	-
	(38.45)	**(75.66)**	**(65.36)**	**(88.33)**	**(54.17)**	**(66.26)**	**(67.39)**	**(41.53)**
Financing activities:								
Dividends paid to CDEV	(142.00)	(133.00)	(134.00)	(69.00)	(107.00)	(83.00)	(86.00)	(124.00)
Interest paid	(0.09)	(0.02)	(0.03)	-	-	-	-	-
Lease obligation payments	(1.50)	-	-	-	-	-	-	-
	(143.59)	**(133.02)**	**(134.03)**	**(69.00)**	**(107.00)**	**(83.00)**	**(86.00)**	**(124.00)**
Change in cash	**7.76**	**(22.51)**	**(12.72)**	**(3.50)**	**(0.02)**	**0.34**	**(0.72)**	**0.25**
Cash, beginning of year	**68.97**	**82.79**	**76.73**	**64.01**	**60.51**	**60.49**	**60.83**	**60.11**
Cash, end of year	**76.73**	**60.28**	**64.01**	**60.51**	**60.49**	**60.83**	**60.11**	**60.36**